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SUBJECT: FOURTH GLOBAL FORUM ON FIGHTING CORRUPTION
BRASILIA, BRAZIL; JUNE 7-10, 2005

REF: A. BRASILIA 1494

[1](#)B. BRASILIA 1544

[1](#)1. Summary. The IV Global Forum on Fighting Corruption (GF IV): "From Words to Deeds" was held from June 7 to 10 in Brasilia, Brazil. An estimated 1800 representatives from 103 countries including government officials and representatives from international organizations and civil society participated in a series of workshops, panels, and special conferences to discuss the effectiveness of international conventions, money laundering, public procurement, e-government, corruption measurement, conflicts of interest, and corruption at the local level. GF IV was organized by the Brazilian government's Comptroller General's Office in cooperation with the United Nations Office on Drugs and Crime (UNDOC), and Brazilian NGO Transparencia Brasil. Despite the government of Brazil's organizational and planning shortcomings, GF IV was at the end of the day a respectable showing - a gathering of senior government experts to push the international anti-corruption agenda forward. The United States effectively advanced key national security objectives in strengthening political will globally to fight corruption. End Summary.

MINISTERIAL SESSIONS

[1](#)2. President Bush's Statement: GF IV provided a clear and demonstrable commitment to support President Bush's agenda on fighting corruption and the Bush administration's broad foreign policy on development, security, and good governance. On June 10, US. Ambassador to Brazil John Danilovich read a message from President Bush to GF IV delegates during the closing ceremony. In his message, the President indicated that the United States would stand by nations that fight corruption, embrace freedom, and promote the rule of law. The President also declared that his administration is committed to working with other partners to "deny safe haven to the corrupt, their corrupters, and their tainted assets." In the President's statement, Ambassador Danilovich also reaffirmed the Bush administration's commitment to cooperating with other countries to fight corruption and explained that the USG will play an active role in fighting corruption and fostering democracy through the Millennium Challenge Account. The United States delegation achieved the objectives it set out to accomplish at GF IV including globalizing the President's "No Safe Haven" Initiative and encouraging countries to sign, ratify, and implement the UN Convention Against Corruption. Both of these objectives are reflected in the Final GF IV Declaration.

[1](#)3. President Lula's Keynote Remarks: During his opening remarks on June 7, Brazilian President Lula da Silva used the GF IV platform to seize the offensive in confronting corruption scandals that plagued his administration. (Note: Earlier that day, Lula fired a number of corrupt postal service and Brazilian Reinsurance Institute employees. During the final days of the conference, the treasurer of Lula's Workers' Party (PT) was accused of buying votes in Congress (reftels A and B). End Note). Despite corruption allegations, Lula promised to fight corruption in Brazil and stated that his administration would "cut its own flesh, if necessary" to root out corruption.

[1](#)4. US Head of Delegation Adolfo Franco told local daily "Correio Brasiliense" that Lula showed his commitment to investigating corruption allegations thoroughly, even if those investigations included members of his own administration or political party. US Ambassador to Brazil Danilovich believed that Lula defined the problem of corruption clearly during his opening remarks and showed his personal commitment to the fight against corruption.

HIGHLIGHTS FROM WORKSHOPS AND PANELS

[1](#)5. The US delegation demonstrated the Bush administration's high-level commitment to prevent and combat corruption to advance its national security and foreign policy agenda;

highlighted and helped advance key administration initiatives on fighting corruption and promoting good governance (e.g., the President's "No Safe Haven" policy, the G8 Anti-corruption and Transparency initiative, and the Millennium Challenge Account); provided other governments the experience of qualified US experts in specific measures against corruption; assured that conference result did not detract from US policies or positions on anti-corruption issues also addressed in other international fora; and conducted informal bilateral discussions with other governments.

16. Law Enforcement: Several panels on law enforcement and international instruments focused on the need for effective implementation of the United Nations Convention Against Corruption and the encouragement of developed countries to sign and ratify it. There was also discussion on the need to improve follow-up mechanisms on the various international anti-corruption frameworks around the world.

17. Civil Society: On June 8, US Delegation Head and USAID Assistant Administrator for Latin America and Caribbean Bureau Adolfo Franco moderated the "Civil Society: Improving Control Mechanisms workshop." Franco highlighted anti-corruption efforts in Azerbaijan, Indonesia, and Uganda. Franco stressed the importance of NGOs, churches, and the media, and challenged governments to improve their relationships with these institutions. Through cooperation with civil society institutions, Franco believed that governments could combat corruption effectively.

18. Money Laundering: The GF IV money laundering workshop focused on investigations into corruption during former Peruvian President Alberto Fujimori's tenure. Panelists identified asset recovery challenges and stressed the importance of effective international cooperation during the asset recovery phase. Panelists also stressed the importance of developing stronger legislation and self-regulation rules in the private sector. To safeguard assets from being stolen, panelists suggested that governments create country-specific trust funds with International Financial Institutions (IFIs), establish third-party fund monitoring, and use recovered funds to settle debts.

19. Public Procurement: The public procurement workshop focused on the need for government procurement regimes to ensure transparency and efficiency during the public procurement process. Workshop participants recommended that governments monitor drafting and contract requirements during the public procurement process. To ensure transparency and accountability, panelists discussed the importance of making public procurement and government contract information available and easily accessible to the public.

10. Measuring Corruption: The measuring corruption workshop focused on measuring corruption accurately and improving measurement tools such as the Corruption Perceptions Index and the Global Integrity Report. Panelists and participants agreed that corruption measurement tools are imprecise and can negatively impact investment or development aid given to developing countries. Participants also noted that developing countries do not receive a high score on corruption indices because they are poor, while developed countries receive a high score by virtue of their wealth. All panelists agreed that corruption measurement tools are valuable in fighting corruption, however some emphasized that corruption tools should focus on governments actions to combat corruption.

11. Conflict of Interest: This workshop focused upon conflict of interest codes of conduct in New York City, Canada, and Argentina. New York City's conflict of interest system relies on code compliance, effective implementation, and code monitoring. Canada allows a conflict of interest agency to monitor high level public employees to ensure recusal. In Argentina, recent attempts to establish a federal conflict of interest system led to poor public confidence in government officials because a number of public officials do not report conflict of interest cases to local authorities. The Argentine government discovered that publishing conflict of interest information on the Internet helped improve public confidence in local officials.

12. Improving Integrity in Border and Fiscal Agencies: The border and fiscal agency panel was comprised of customs administrators and tax authorities from a number of different countries. Panelists discussed the challenges that corruption poses in the international tax and customs arenas. Arthur Sinai, US Customs and Border Inspection Acting Assistant Commissioner for Management Inspections and Integrity Assurance, represented the USG on this panel. Mr. Sinai noted that the US Customs Agency's role has been redefined to ensure that global security measures are being developed and that ongoing global efforts against corruption are not jeopardized.

¶13. Political Financing: Panelists focused on the high level of distrust of political parties, especially when irregular or illegal funding is involved. Craig Donsanto, from the US Department of Justice, addressed the ten &building blocks8 of a good regime to combat corruption in political financing, and explained that the USG does not follow some of these elements due to constitutional protections of free speech.

GF IV FINAL STATEMENT

¶14. Begin Final Statement:

¶1. The Heads of Delegation, meeting in Brasilia, on June 7, 8, 9 and 10, 2005, for the Fourth Global Forum on Fighting Corruption, renew, with this Declaration, their commitment to continue working together toward the common objective of preventing and fighting corruption.

¶2. To this end, they reaffirm the importance of the Global Forums, which were developed with a view to exchange knowledge and to promote implementation of legal instruments against corruption.

¶3. Recognize that corruption is a complex economic, political and social problem that threatens democracy, economic growth and the rule of law, contributes, in particular, to corrupt practices and to the spread of organized crime and terrorism and has destructive repercussions in every sphere of our societies. For this reason, they further underscore the Global Forum concept as an effective platform for the exchange of experiences and the promotion of international cooperation aimed at confronting corruption in all of its manifestations.

¶4. Within the scope of the Fourth Global Forum, based around the theme "From Words to Deeds," the Heads of Delegation: Reaffirm their commitment to the effective implementation of the international anti-corruption conventions and recognize, in particular, the importance of signing and ratifying the United Nations Convention against Corruption; Emphasize the need for capacity-building and the continual improvement and enhancement of the follow-up mechanisms for the international anti-corruption conventions in force, to which their countries are parties; Encourage governments to deny safe haven to corrupt persons and entities "public and private" and their corruptly acquired assets, and to those who corrupt them, and to promote cooperation on extradition, mutual legal assistance and the recovery and return of proceeds of corruption; Underscore the contribution the Global Forums have made since the first edition to the discussions on the prevention and fight against corruption and promoting good governance, as well as the culture of integrity and express their desire that the Forum's proposals and conclusions be given practical implementation.

Fifth Global Forum

The Heads of Delegation applaud the leadership of South Africa in accepting to host the Fifth Global Forum on Fighting Corruption and express their intention to cooperate to the extent possible in the organization of the Fifth Global Forum on Fighting Corruption.

Brasilia, June 10, 2005.

End Final Statement.

CONCLUSION AND OVERALL ASSESSMENT

¶15. Although GF IV ran smoothly, the days and months leading up to the Forum were plagued with poor planning and a lack of available public information. Unlike previous events that focused on corruption internationally, GF IV focused on Brazil, which was not surprising given the corruption scandals at the time of the conference. Although Lula used the GF IV platform to appear strong against corruption and dismissed a number of low-level officials during GF IV, only time will tell if he is serious about fighting corruption. It will be interesting to ascertain whether the Brazilian anti-corruption experience will be worth noting as a success in 2007 or whether Lula's declarations during the week become a footnote in history as an opportunity wasted to fight corruption in Brazil.

¶16. Compared to past Forums, few ministers participated in GF IV and the GOB was unable to confirm how many Ministers would attend GF IV less than one week before it began. Despite the Brazilian organizers' shortcomings, the US Delegation was able to achieve its goals for the event. President Bush's "No Safe Haven" policy is now truly global, having been adopted by over 103 nations that attended GF IV.

¶17. At the conclusion of GF IV, the government of South Africa organized in Brasilia the first series of preparatory meetings for the Fifth Global Forum (GF V) in 2007. It is envisaged that the South Africans will make GF V a true ministerial again in 2007 and restore prestige to the event. When the international community meets for GF V, the UN Convention will also likely enter into force.

